



DEPARTMENT OF LABOR

Employment and Training Administration

Notice of approval of South Carolina's application for avoidance of 2013 credit reduction under the Federal Unemployment Tax Act

AGENCY: Employment and Training Administration, Labor.

ACTION: Notice.

SUMMARY: Sections 3302(c)(2) and 3302(d)(3) of the Federal Unemployment Tax Act (FUTA) provide that employers in a state that has an outstanding balance of advances under Title XII of the Social Security Act at the beginning of January 1 of two or more consecutive years are subject to a reduction in credits otherwise available against the FUTA tax for the calendar year in which the most recent such January 1 occurs, if a balance of advances remains at the beginning of November 10 of that year. Because the account of South Carolina in the Unemployment Trust Fund had a balance of advances at the beginning of January 1 of 2009, 2010, 2011, 2012, and 2013, and still had a balance of advances at the beginning of November 10, 2013, South Carolina employers were potentially liable for a reduction in their FUTA offset credit for 2013.

Section 3302(g) of FUTA provides that a state may avoid credit reduction for a year by meeting certain criteria. South Carolina applied for avoidance of the 2013 credit reduction under this section. It has been determined that South Carolina met all of the criteria of section 3302(g) and thus qualifies for credit reduction avoidance. Therefore, South Carolina employers will have no reduction in FUTA offset credit for calendar year 2013.

Signed in Washington, DC, this 5th day of December, 2013

Eric M. Seleznow,

Acting Assistant Secretary for Employment and Training

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